

Gaylord, Brent

Subject: FW: EPA - FW: Final questions on the LTCPs. Many thanks.
Attachments: image001.jpg; EPA Responses - January 19-v2 (003).pdf

From: Mahoney, Keith [kmahoney@dep.nyc.gov]
Sent: Friday, January 19, 2018 5:03 PM
To: Meagher, Dylan; Nazem, Omar A.; Jackson, Wayne; Gaylord, Brent; Russo, Gary
Cc: jmueller@dep.nyc.gov; Licata, Angela; Levine, Robin; Pena, Lucia
Subject: RE: EPA - FW: Final questions on the LTCPs. Many thanks.

Attached is a response to your last round of questions. Let us know if you need anything else and I hope everyone has a great weekend.

From: Jackson, Wayne [mailto:Jackson.Wayne@epa.gov]
Sent: Thursday, January 11, 2018 3:00 PM
To: Meagher, Dylan <DMeagher@dep.nyc.gov<mailto:DMeagher@dep.nyc.gov>>
Cc: Gaylord, Brent <Gaylord.Brent@epa.gov<mailto:Gaylord.Brent@epa.gov>>; Russo, Gary <Russo.Gary@epa.gov<mailto:Russo.Gary@epa.gov>>
Subject: Final questions on the LTCPs. Many thanks.

Hi Dylan,

Thank you so much for stepping in for Sangu as she enjoys her trip. We have one final set of questions that we hope you can provide answers to. We really appreciate your input. I am hoping that you can provide answers/clarification by the middle of next week. Again this is much appreciated. If you have any questions, please let me know (212-637-3807).

Thanks,

Wayne

1) Thank you for clarifying the reasons for the discrepancies between some of the costs in Table A and the LTCPs. We are performing the same due diligence for the 100% CSO control costs (differences between cost estimates in Table C and LTCPs) and need your assistance to make sure we are adequately reconciling them.

On the basis of your answer to our question about the differences between the Table A and LTCP costs for the preferred alternatives, our understanding is that the differences in those cost estimates are primarily due to the inclusion of design and construction management costs in Table A that were not included in the LTCPs. However, when we compare Table C costs normalize to year 2018 dollars and LTCP costs normalize to year 2018 dollars with an additional 26% adjustment to account for design, DSDC, and construction management costs (footnote #2 in Table C), the differences still range between 28% and 58%. Below is a screenshot of our spreadsheet showing the cost comparison.

[cid:image001.jpg@01D39147.6BC08140]

Can you help us explain the remaining discrepancy in the rightmost column of our spreadsheet?

2) Why were Gowanus Canal 100% CSO Control costs in Table C based on the 2007 Waterbody Watershed Facility Plan (\$1,134M – not escalated), instead of being based on the available 2015 LTCP costs (\$846M capital costs – not escalated)?

3) The NYC DEP web site indicates that, on December 19, 2017, the New York State Court of Appeals reversed a lower court decision that had invalidated the Water Board's resolution approving a new rate schedule set to take effect on July 1, 2016. Does that mean that the FY 2017 wastewater rate of \$6.19 per 100 cubic feet is now in effect until new rates are set and become effective in July 2018?

4) Table C does not include land acquisition costs for the 100% CSO control option that Table A includes for the preferred alternatives. Is it possible for NYC to include land acquisition costs in Table C as well?

5) In #5 of your most recent responses to EPA questions, you said: "The costs on Table "B" are for historical expenses and all costs are based on the year in which these funds were committed/encumbered and they have not been escalated to 2018 dollars." Is it possible to provide the year those costs were committed/encumbered?